FACTORS INFLUENCING UTILIZATION OF MONITORING AND EVALUATION SYSTEMS IN COMMERCIAL BANKS IN KENYA

BY

BRIGID NANJALA JUMA

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF THE ARTS IN PROJECT PLANNING AND MANAGEMENT OF UNIVERSITY OF NAIROBI

2015
DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university.

Signed: ___________________________ Date: ___________________________

Brigid Nanjala Juma
L50/71033/2007

This research project has been submitted for examination with my approval as University supervisor.

Signed: ___________________________ Date: ___________________________

Dr. John Mbugua
School of Continuing and Distance Education
University of Nairobi
DEDICATION

I dedicate this work to my late father, Gabriel Juma Mashaiti, my mother Bernadette Juma and my siblings for their love, commitment and support towards my education.
ACKNOWLEDGEMENT

First, I acknowledge the University of Nairobi, specifically the department of Extra Mural studies for the time and resources towards accomplishment of this study programme.

Second, I acknowledge my lecturers for their contribution towards my acquisition of knowledge and skills, namely Professor Macharia for his patience and support, Dr. Harriet Kidombo, and Dr. Gakuuo.

Third, my gratitude goes to my university supervisor Dr. John Mbugua for his input and guidance in undertaking this research proposal.

My appreciation also goes to my classmates, Nairobi evening class and my friends Ruth, Job, Yvonne, Vincent, and Lucy for their encouragement and support to finish my project work. Special thanks too, to my manager Mrs Julia Kinandu for the support, encouragement and giving me leave days to finish my class work.

Lastly, I thank the almighty God for his guidance and protection throughout this academic journey.
# TABLE OF CONTENTS

DECLARATION ............................................................................................................................ ii
DEDICATION ............................................................................................................................... iii
ACKNOWLEDGEMENT ................................................................................................................ iv
LIST OF TABLES ........................................................................................................................ vii
LIST OF FIGURES .................................................................................................................. viii
ABBREVIATIONS AND ACRONYMS ....................................................................................... ix
ABSTRACT ............................................................................................................................... x

CHAPTER ONE: INTRODUCTION ......................................................................................... 1  
  1.1 Background to the Study ................................................................................................. 1  
  1.2 Statement of the problem .............................................................................................. 6  
  1.3 The Purpose of the Study .............................................................................................. 7  
  1.4 Objectives of the Study ................................................................................................. 7  
  1.5 Research Questions ....................................................................................................... 8  
  1.6 Significance of the Study ............................................................................................... 8  
  1.7 Delimitations of the study ............................................................................................. 9  
  1.8 Limitations of the Study .............................................................................................. 9  
  1.9 Assumptions of the study ............................................................................................. 10  
  1.10 Definition of Significant Terms Used in the Study ..................................................... 10  
  1.11 Organization of the Study ........................................................................................... 11

CHAPTER TWO: LITERATURE REVIEW ............................................................................. 12  
  2.1 Introduction .................................................................................................................... 12  
  2.2 Monitoring and Evaluation ............................................................................................. 12  
  2.3 Utilization of Monitoring and Evaluation Systems ......................................................... 13  
  2.4 Level of staff training and utilization of M&E systems ................................................. 16  
  2.5 Management commitment and utilization of M&E systems ....................................... 18  
  2.6 Resource allocation and utilization of M&E systems ..................................................... 19  
  2.7 Use of M & E Findings and utilization of M&E systems .............................................. 22  
  2.8 Theoretical Framework ................................................................................................. 23  
  2.9 Conceptual Framework ................................................................................................. 25

CHAPTER THREE: RESEARCH METHODOLOGY ................................................................. 27
3.1 Introduction ................................................................................................................. 27
3.2 Research Design ......................................................................................................... 27
3.3 Target population ....................................................................................................... 27
3.4 Sample Size and Sampling procedure ....................................................................... 28
3.5 Research Instruments ................................................................................................. 29
3.6 Data Collection Methods ......................................................................................... 31
3.7 Data Analysis .............................................................................................................. 31
3.8 Operational Definition of Variables ......................................................................... 32

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION .................. 34
4.1 Introduction ................................................................................................................ 34
4.2 Response Rate .......................................................................................................... 34
4.3 Background Information ............................................................................................ 35
4.4. Level of Staff Training ............................................................................................. 37
4.5 Level of Management Commitment ......................................................................... 39
4.6. Level of Resource Allocation .................................................................................... 40
4.7. Use of M & E Findings ............................................................................................. 42
4.8. Level of utilization of M&E System .......................................................................... 44

CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS .......................................................... 46
5.1. Introduction ............................................................................................................... 46
5.2. Summary of Findings ............................................................................................... 46
5.3. Discussions ............................................................................................................... 49
5.4 Conclusions ............................................................................................................... 51
5.4. Recommendations .................................................................................................... 53
5.5 Suggestions for Further Research ............................................................................. 54

REFERENCES .................................................................................................................. 55
APPENDICES .................................................................................................................... 63
Appendix I: Letter of Transmittal ..................................................................................... 63
Appendix II: Questionnaire ............................................................................................... 64
Appendix III. Interview schedule .................................................................................... 68
Appendix IV: List of Commercial Banks in Kenya ............................................................. 70
LIST OF TABLES

Table 3.1: Operationalization of variables................................................................. 32
Table 4.1: Response Rate............................................................................................ 34
Table 4.2: Gender of the Respondents ...................................................................... 35
Table 4.3: Level of Education...................................................................................... 36
Table 4.4: Duration Worked in the Bank................................................................. 37
Table 4.5: Extent the Staff Training Factors Influence Utilization of Monitoring and Evaluation System ................................................................. 38
Table 4.6: Extent the Management Commitment Factors Influence Utilization of Monitoring and Evaluation System ................................................................. 39
Table 4.7: Extent the Resource Allocation Factors Influenced Utilization of Monitoring and Evaluation System................................................................. 41
Table 4.8: Use of M&E Findings and Utilization of Monitoring and Evaluation System 43
Table 4.9: Level of utilization of M&E System ........................................................... 44
LIST OF FIGURES

Figure 2.1: Conceptual Framework ................................................................. 25
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>CBK</td>
<td>Central Bank of Kenya</td>
</tr>
<tr>
<td>CHRC</td>
<td>Caribbean Health Research Council</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immune-deficiency Virus</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>IFAS</td>
<td>Institute of Food and Agricultural Sciences</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NDPC</td>
<td>National Development Planning Commission</td>
</tr>
<tr>
<td>NIMES</td>
<td>National Integrated Monitoring and Evaluation System</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>OED</td>
<td>Operations Evaluation Department</td>
</tr>
<tr>
<td>PEOU</td>
<td>Policy Evaluation and Oversight Unit</td>
</tr>
<tr>
<td>PEOD</td>
<td>Program Evaluation and Organizational Development</td>
</tr>
<tr>
<td>RBM</td>
<td>Results-Based Management</td>
</tr>
<tr>
<td>SIA</td>
<td>Securities Industry Association</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children's Fund</td>
</tr>
</tbody>
</table>
The purpose of the study was to establish factors influencing utilization of monitoring and evaluation systems in commercial banks in Kenya. The study specifically sought to determine the extent to which level of staff training, level of management commitment, level of resource allocation and use of monitoring and evaluation findings influence utilization of monitoring and evaluation systems in commercial banks in Kenya. This study adopted a descriptive survey design. The population of study was M & E managers in all the 43 Commercial Banks in Kenya. Since the population was small, a census study was adopted whereby all the 43 M&E managers from the 43 commercial banks formed the sample size for the study. The study collected primary data using questionnaire and interview schedule. A pilot test was conducted to test for validity and reliability. The study used drop and pick later method to collect the data. Both descriptive and inferential statistics were adopted for analysis. The quantitative data was analyzed using descriptive statistics which included frequency distribution tables, mean and standard deviation while the qualitative data was analyzed in prose form. The regression model was adopted to establish the relationship between variables. Data was presented using frequency distribution tables. The study found that staff training factors, management commitment factors, resource allocation factors and use of M&E findings influenced utilization of monitoring and evaluation system in commercial banks in Kenya. The study concludes that training instils needed skills, knowledge to adequately set up and manage the monitoring and evaluation function effectively and to use the system correctly. Management commitment is critical for enhancing leadership skills, sharing an organizational goal, and providing resources necessary for the utilization of monitoring and evaluation systems in commercial banks. The study also concluded that resource allocation factors influenced utilization of monitoring and evaluation system by enhancing allocation of funding and trained staff. The study recommends for increased training of Programmes officers and managers in order to equip them with the needed skills and knowledge to adequately set up and manage the Monitoring and Evaluation function effectively in the banks and to use the system correctly. Commercial banks should use incentives to encourage project managers, monitoring and evaluation officers to perceive the usefulness of Monitoring and evaluation. There is also need for increased commitment by the management in overseeing the monitoring and evaluation exercise in the bank.
CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Monitoring and evaluation provide tools for organizations to assess the performance of programmes, through measuring progress and managing programme inputs and outputs to achieve the highest outcome results. In the right context the monitoring system establishes links between past, present and future interventions and results, and demonstrates accountability. It provides critical information that empowers policymakers to make better informed decisions, to target the appropriate resources and provide policy support for their achievement, building country capacity for future development and organisational learning (Puddephat et al., 2009).

The Monitoring and evaluation system is still developing and is facing challenges such as weaknesses in human resources, monitoring tools, and generation of statistics as well as lack of relevant national training. Therefore there is need for institutional support and training to strengthen its capacity, development of mechanisms to guarantee stable and sustainable sources of funding monitoring and evaluation activities to guarantee sustainability and meet the obligation to monitor and evaluate public policies. Caribbean governments have also recognized the need to invest in human capacity development and efforts are currently underway to support the development of human capacity most notably in Jamaica and Trinidad and Tobago. In other countries, for example St Vincent and the Grenadines and St Lucia, the end of World Bank grants have stalled M&E work due to the loss of dedicated staff at the end of the grant period. In these countries, M&E
activities have been absorbed into the surveillance or health information units. Therefore, M&E is being performed without dedicated staff (CHRC, 2011).

According to the findings of a case study on Monitoring and Evaluation systems in Africa, monitoring systems that respond to political demand for reporting on performance against targets are being put in place in several African countries, for example in South Africa, the performance monitoring reporting is done quarterly where reports are linked to the performance agreements of ministers and the delivery agreements of government departments. The existence of these outcome reports act as a mechanisms to allow information to be discussed and reflected upon within cabinet. In Uganda, there is a system of biannual retreats to review the performance of the government. The Prime Minister, ministers and top public servants attend the retreat. The retreats review reports and issue recommendations to inform budget processes. In this way, in South Africa and Uganda, there are emerging mechanisms to institutionalise monitoring to feed into executive decision-making processes (Porter, 2012).

There is widespread concern that, despite the significant resources devoted to monitoring and evaluation and its importance in both industrialized and developing countries, the utilization of evaluation findings is disappointingly low (Patton, 1997). This holds true even for evaluations which are methodologically sound. According to GAO (1995) lack of information does not appear to be the main problem. Rather, the problem seems to be that available information is not organized and communicated effectively. Much of the available information does not reach the appropriate Committee, or reached it in a form that is too highly aggregated to be useful. Information sharing has proven to be a challenge as there is limited dissemination of information on the performance of
programmes. As a result, there is a need for the implementation of dissemination strategies as outlined in current M&E plans. There is recognition for the need for M&E, but no champions for M&E have been identified. Therefore, M&E has not been promoted with any considerable vigour at the highest levels of government in the region (CHRC, 2011).

An exploratory research on M&E systems in Africa reveals that, the weight of resources allocated to monitoring systems in Ghana, Kenya and Benin is demonstrated by the extensive reporting mechanisms in place. Annual progress reports are arguably the chief products of Kenya and Ghana’s M&E systems. Ghana operates a dual institutional mandate between Policy Evaluation and Oversight Unit (PEOU) and the National Development Planning Commission (NDPC) in monitoring. The reporting system in Ghana could be an indicator of demand for evidence: dissatisfied with the current mechanisms a new unit was introduced to meet its accounting requirements. However, experience in Ghana, demonstrates that although new Monitoring and Evaluation units can be created, unless there is knowledge of what constitutes high quality M&E the new unit only creates a parallel system, rather than new avenues of evidence (Porter, 2012).

Kenya produces two types of annual reports; that is, the Annual Progress Report against indicators within the National Integrated Monitoring and Evaluation System (NIMES) and the Public Expenditure Review. Benin and Uganda also produce annual reports, although, with the emergence of government-led evaluations, these are only one output of the system. In Benin fairly elaborate systems are constructed around the two main initiatives – the poverty reduction strategy and the development assistance strategy. South
Africa and Uganda have also moved to more regular monitoring systems linked to reporting directed at politicians (Porter, 2012).

Porter, (2012) points out that although demand for evidence is increasing, monitoring is still dominant and there are nuanced attempts to align monitoring systems to emerging local demand. There is also evidence of increasing demand through the implementation of government-led evaluation systems. A problem that exists is that the development of the Monitoring and Evaluation systems is not yet conceptualised within a reform effort to introduce a comprehensive results-based orientation to the public services of the countries. Results concepts do not yet permeate throughout the planning, budgeting and Monitoring and Evaluation systems of African cases. In addition the results-based notions that are applied in the systems appear to be generating incentives that reinforce upward accounting to the detriment of more developmental uses of Monitoring and Evaluation evidence.

Despite the introduction of new monitoring instruments there are still serious gaps in the monitoring process. Some of the key challenges include risk factors that are inadequately identified and not effectively monitored if identified, performance indicators that are not used consistently in supervision and monitoring reports, supervision missions that are not undertaken on a timely and regular basis. In addition to these, reports are not being disseminated on time. There is lack of skilled professionals in monitoring and evaluation and lack of incentive mechanism in performance evaluation system for monitoring activities (Knox & Darcy, 2014).
Delloitte(2013) reported that,” banks use continuous monitoring capabilities for protection of customers and regulatory compliance and there is need to keep pace with the rapidly changing regulatory requirements”. Therefore recommends banks to enhance continuous monitoring so as to create a pre-emptive compliance tool which improve the ability of banks to detect fraud. According to the report, banks should explicitly define the techniques used and outline the main business functions at risk; this will help focus continuous monitoring on specific areas.

1.1.1 Commercial Banks in Kenya

In Kenya, the Banking Sector is composed of the Central Bank of Kenya, as the regulatory authority and the regulated Commercial Banks, Non-Bank Financial Institutions and Forex Bureaus. Currently there are there are 43 licensed commercial banks and 1 mortgage finance company. Out of the 44 institutions, 31 are locally owned and 13 are foreign owned. The locally owned financial institutions comprise 3 banks with significant shareholding by the Government and State Corporations, 27 commercial banks and 1 mortgage finance institution (CBK, 2015).

Over the last few years, the Banking sector in Kenya has continued to grow in assets, deposits, profitability and products offering. The growth has been mainly attributed to the industry’s wide branch network expansion strategy both in Kenya and in the East African community region, the automation of a large number of services, and a move towards emphasis on the complex customer needs rather than traditional ‘off-the-shelf” banking products. Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market (CBK, 2013). Over time commercial banks have been reinforcing and introducing
new monitoring and evaluation systems as per the Basel committee on banking supervision requirement that all banks should have effective compliance policies and procedures for identification and correction of failures. Effective monitoring and evaluation systems will among other things enable banks to (1) Identify problems affecting strategy implementation; (2) Provide information along with insights for decision making; (3) Ensure that funds and resources are used for agreed purposes; (4) Generate information on the validity of policies, strategies and projects under implementation towards the achievement of stated targets (ADB, 2005).

Therefore banks are required to establish a compliance function whose roles and responsibilities should include; (1) Provision of regulatory and compliance advice to the bank and its control units on an ongoing basis; (2) Development of policies, procedures and guidelines in conjunction with bank units and branches; (3) Conducting training and education programs to keep the staff and banks’ business units informed on the policies, procedures and regulatory requirements; (4) Lastly to perform the critical role of Monitoring and evaluation which involves a detailed review of bank’s activities, surveillance of transactions and communications. The compliance department should test the effectiveness of bank’s policies and procedures and escalate identified issues to the bank’s senior management and board of directors for resolution (SIA, 2005).

1.2 Statement of the problem

Commercial banks in Kenya play an important role in the country’s economic growth, as they continuously channel funds from depositors to investors and therefore for a sustainable intermediation function banks need to be profitable (Ongore & Kusa, 2013).
It is therefore important that banks’ effective implementation and progress in improving its profitability be properly monitored and supervised.

However, several reviews and studies carried out indicate that serious gaps exist in the M&E systems. These are: (1) Too much emphasis by commercial banks on financial reporting; (2) Identified risk factors which are inadequately monitored; (3) Monitoring and evaluation not done on a timely manner; (4) Performance indicators not used in M&E reports; (5) Capacity limitation in terms of skills and number of M&E professionals; (4) M&E reports not disseminated on time; (5) Inadequate incentive mechanism system for monitoring and evaluating activities (ADB, 2005). The banking sector has also received increasing pressure from stakeholders and regulatory framework to employ effective monitoring systems (Knox, 1990). Therefore, the M&E system in the banking sector is in need of attention and improvement, hence the background against which the study was carried out, that is, to examine the factors influencing utilization of M&E systems in commercial banks in Kenya.

1.3 The Purpose of the Study

The main purpose of the study was to establish factors influencing utilization of monitoring and evaluation systems of commercial banks in Kenya.

1.4 Objectives of the Study

The specific objectives of this study were:

1. To determine the extent to which level of staff training influence utilization of monitoring and evaluation systems in commercial banks in Kenya.
2. To assess the extent to which level of management commitment influence utilization of monitoring and evaluation systems in commercial banks in Kenya.

3. To examine the extent to which level of resource allocation influence utilization of monitoring and evaluation systems in commercial banks in Kenya.

4. To evaluate the extent to which use of monitoring and evaluation findings influence utilization in monitoring and evaluation systems in commercial banks in Kenya.

1.5 Research Questions

The study sought to answer the following research questions:

1. To what extent does level of staff training influence utilization of monitoring and evaluation systems in commercial banks in Kenya?

2. How does the level of management commitment influence utilization of monitoring and evaluation systems in commercial banks in Kenya?

3. To what extent does level of resource allocation influence utilization of monitoring and evaluation systems in commercial banks in Kenya?

4. How does use of monitoring and evaluation findings influence utilization of monitoring and evaluation systems in commercial banks in Kenya?

1.6 Significance of the Study

Information generated from this study would be of value to several stakeholders including commercial banks and other financial institutions, managers as well as the general public interested in management of risk in banks through monitoring and evaluation systems. By analyzing the factors influencing utilization of monitoring and
evaluation systems in banks, operational managers and bank staff would be enlightened on the importance of regular monitoring and evaluation of internal controls. Frequent monitoring and evaluation is fundamental to supporting financial institutions achieve their objectives and protecting stakeholder value.

Monitoring and evaluation of internal controls would help financial institutions recognize and identify sources of information on control failure such as customer complaints, suspicious transactions and increased fraud cases. Monitoring and evaluation is still a new concept and there is not enough literature in this subject. The study would contribute to knowledge base on the subject of project monitoring and evaluation.

1.7 Delimitations of the study

The study was conducted in all the 43 banks within Nairobi County. The site was chosen since most the Banks have their Headquarters in Nairobi where M&E units are situated. The study was confined to employees mandated to oversee the M&E operations in each bank; therefore one M & E staff from each bank was interviewed. The study collected primary data from the respondents through use of a questionnaire and interview.

1.8 Limitations of the Study

Due to the nature of banking institutions in terms of information disclosure, there were expected challenges in data collection especially sensitive information. Participants could have failed to cooperate with the researcher in interviews and questionnaire filling for fear of insubordination or may withdraw from participation. The challenges were handled by observing confidentiality, the questionnaires were labeled by alphabetic numbers and no names were used. The participants were informed of the confidentiality of the
information gathered which will only be used by the researcher. The researcher also sought permission for data collection from relevant authorities and an informed consent was properly documented.

1.9 Assumptions of the study

The assumption made was that the respondents of the study would answer the questions accurately, honestly and truthfully to the best of their knowledge. It was assumed the respondents would be objective and competent.

1.10. Definition of Significant Terms Used in the Study

Management Commitment – is the direct participation by the highest level management in all specific and important safety aspect or programs of an organisation.

Monitoring and Evaluation system- is a management tool used in program planning, implementation and decision making; it enables the management to track and demonstrate the impacts of a given project.

Resource allocation - is the process of assigning and managing assets in a manner that supports an organization's strategic goals.

Training - refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies.

Utilization of monitoring and evaluation systems- This refers to the extent to which information generated from monitoring and evaluation system is used in decision making, problem solving and policy making for future programs.
1.11 Organization of the Study

The project is divided into three chapters. Chapter one consists of the background to the study, statement of the problem, purpose of the study, research objectives, research questions, significance of the study, limitations, delimitations, assumptions, conceptual definition of terms used and organization of the study. Chapter two consists of literature review on the factors influencing utilization of monitoring and evaluation systems by scholars who have studied the subject in different monitoring and evaluation contexts. This chapter provides the conceptual framework outlining the relationship between the dependent and independent variables identified in the study. Chapter three outlines the research methodology, the research design, target population, sample size and sampling procedure and data analysis techniques. Chapter four entails the data analysis, presentation and interpretation of the results while chapter five covers the summary of the findings, conclusions and recommendations of the study.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains the literature review of the study and further brings out the previous studies done on the research topic. The chapter provides a detailed overview of monitoring and evaluation and discusses literature on the factors influencing utilization of monitoring and evaluation systems. It further discusses the theories attributed by other authors and that inform the study. The chapter ends with a conceptual framework which is a schematic diagram that shows the relationship between variables under study.

2.2 Monitoring and Evaluation

Projects should be monitored on an on-going basis to assess the extent of success, to respond to unpredictable events, provide regular communication and also to document and learn from the process as well as demonstrate results (O'Flynn, 2009). Mechanisms for monitoring include meetings, minutes, calls and project records. It also includes collecting and analysing information on internal issues (how well activities are implemented), external issues (relevant changes in the context), collaborative issues, and progress towards objectives.

By combining the monitoring and evaluation activities and following the succession of the combined results for both processes, the decision maker obtains the logical path of the monitoring and evaluation work breakdown structure. This logical path ensures a coherent and complete monitoring process, being able to provide, in real time, a full description upon the project completion stage (Tache, 2011).
According to Holland and Ruedin (2012), monitoring and evaluation is meant to contribute to insights about what does and does not work and why, and should enable programme changes that will make donors and partners more effective at supporting empowerment. They add that evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision making process of both partners and donors.

Monitoring provides the background for reducing schedule and cost overruns (Crawford & Bryce, 2003), while ensuring that required quality standards are achieved in project implementation. At the same time, evaluation can be perceived as an instrument for helping planners and project developers to assess to what extent the projects have achieved the objectives set forth in the project documents (Field & Keller, 1997).

2.3 Utilization of Monitoring and Evaluation Systems

According to Mackay (2007), there are indeed technical aspects of monitoring and evaluation that need to be managed carefully. But a technocratic emphasis is highly inadequate if it ignores the factors that determine the extent to which monitoring and evaluation information is actually used. Utilization of evaluation leads to increased efficiency of service delivery increased financial benefits as well as creation of important policies (OED, 2004). Monitoring and Evaluation utilization is assessed by the extent to which appropriate data were evaluated and used to inform decision-making and resource allocation (World Bank, 2006a). Bamberger (2005) argues that utilization of evaluation has an impact on the organization, as it will lead to behavioural change among individuals i.e. change in knowledge, attitude and behaviour this will in turn affect organizational behaviour i.e. change in policy, planning procedures and programme
implementation. Mackay (2007) suggests that a mature and sustained monitoring and evaluation system has the potential to lead an organization towards meeting its goals and safe guards the organization against vulnerability, therefore it’s important to strengthen and utilize the monitoring system so as to measure causes of good and bad performance.

Bamberger (2004) highlighted some of the ways in which evaluation utilization can be enhanced; 1). Involving key stakeholders and other potential users in the scoping and design phase providing an opportunity to discuss important concepts such as input, output and process indicators and the definition and measurement of impacts; 2). Helping users understand the logic of the evaluation design, and the trade-offs between the different possible designs, in terms of how the evaluation will be used; 3). Inviting interested stakeholders to participate in some of the evaluation training programmes or workshops which might be organized primarily for the evaluation practitioners; 4). Involving all key user audiences in the periodic briefings on the progress of the evaluation.

When assessing M&E systems utilization it is important to define clearly what is being assessed and measured, and its influence in decision making. Tuckerman(2007) reinforces that Monitoring and evaluation information is valuable only if it is intensely utilized and its success is the extent to which the information is being used to improve performance.

According to (UNDP, 2002) Monitoring and evaluation contribute to the organizational and global body of knowledge about what works, what does not work and why. They also indicate under what conditions in different focus areas lessons learned should be shared
at a global level. This requires that staff record and share the lessons they have acquired with others through these actions; Keeping an open mind; planning evaluations strategically; involving stakeholders strategically; providing real-time information; linking real-time information; applying what has been learned; monitoring how new knowledge is applied.

In a learning organization, efforts are made to continuously recreate knowledge from day to day involvement in issues and from the success and failure of field interventions by establishing a knowledge base, documentation of historical facts and sharing of experiences for use more broadly in terms of time and across geographical and sectoral boundaries (Khan, 2003). With the focus on outcomes, the learning that occurs through monitoring and evaluation has great potential for application at the organizational level and for policy and operational purposes. Lessons learned are more likely to be replicable beyond the organizational level. In this way, learning from evaluative knowledge becomes wider than simply organizational learning and also encompasses development learning (UNDP, 2002).

Effective use of Monitoring and Evaluation Systems in development agencies is just one of the most crucial management facets which contribute immensely towards performance of development programmes, Kusek, et al, (2004). These systems are also essential tracking instruments that are part of organizational management toolkits (Hardlife and Zhou, 2013). A good Monitoring and Evaluation system enhances the action of a project, and ensures the development of learning and knowledge. Monitoring and Evaluation systems are accepted by many experts as key ingredients to a successful project life (Kinda, 2012). At its best, monitoring and evaluation enable donors and
partners to understand their agency and to learn from experience to more effectively influence change on the ground (Holland and Ruedin, 2012).

2.4 Level of staff training and utilization of M&E systems

The skills, knowledge, and attitudes of individuals within the organization are important factors in determining evaluation competence. Furthermore, individuals within an organization will fall on a continuum of evaluation capacity that ranges from doubters (individuals who see little value in evaluation) to scholars (those who develop considerable expertise in evaluation and actively share their expertise outside the organization) (Dougla, et al., 2003). Implementation of the M&E mandate cannot be completed without sufficient appropriately skilled human resources. The recruitment and retention of sufficient numbers of trained, experienced M&E professionals are essential for conducting M&E activities and the functioning of M&E systems (CHRC, 2011).

A study by Wachamba (2013) on determinants of effective monitoring and evaluation systems in Non Governmental organizations advocates for capacity building policy to be put in place to emphasize on M&E training, development of a harmonized curricula for M&E and an M&E training tailored towards effective application of tools and techniques. Implementation of these factors will lead to successful utilization of M&E system in an organization.

Programmes officers and managers need skills and knowledge to adequately set up and manage the Monitoring and Evaluation function effectively and to use the system correctly. Without this difficulty in setting up or designing programmes will subsequently be experienced. In their study on the utilisation of monitoring and evaluation systems
by development agencies, (Hardlife and Zhou, 2013) revealed some of the weaknesses surrounding the Monitoring and Evaluation Systems which include uneven quality of evaluations due to lack of evaluation training.

Monitoring and Evaluation is more than common-sense; and it requires more than technical skills of data collection, data storage and report writing. Capacity building for Monitoring and Evaluation initiatives requires; conceptual- analytical capacities; skills in system design and ability to interface systems of implementation with systems of Monitoring and Evaluation; and technical skills such as indicator writing and instrument design. Unfortunately, such capacities do not exist in all those places where they are needed (Bhola, 2006).

The staffing of Monitoring and evaluation section and training should be done with an emphasis on creating an M&E culture in the organization (Khan (2003). The author further recommends the enhancement of staff understanding of M&E function through dialogue, training in selected areas and application on the job gives impetus to M&E function. Good effort is needed to make Monitoring and Evaluation system effective and fully functional as to reap the real benefits of the system. This means to building the capacity of its personnel, equipping them with necessary tools, providing resources and creating cultural basis in the organization for Monitoring and Evaluation (Khan 2003).

Therefore, it should be part of the organizations Human Resource Development policy to orient and train staff for the M&E functions and also rotate them into various jobs for cross training aimed at better understanding and appreciation of the monitoring and evaluation work (CHRC, 2011). An efficient M&E system can be formed based on this
three core strengths; Sound conceptual basis, Clear Mandate with technical know-how and Knowledge of issues (Khan 2003) while strengthening of M&E structures will require a regional capacity building plan that includes such interventions as technical assistance, mentorships, internships, exchange visits, supportive supervision, and training (CHRC, 2011)

2.5 Level of management commitment and utilization of M&E systems

Building and sustaining a result based monitoring and evaluation system is admittedly not an easy task for it requires continuous commitment, champions, effort and resources (Kusek, 2004). The above requirements can be enhanced by the management. Karani et al., (2014) conducted a study on effective use of monitoring and evaluation systems in managing HIV/AIDS related projects in local NGOS in Kenya. The data collected was analyzed using both quantitative and qualitative techniques. Measures of central tendency that is the mean, mode, and median were computed and interpreted. The data is presented using frequency distribution tables, pie charts and bar graphs. Relationship between various variables is established using simple correlation and regression. They established that factors such as lack of commitment by the project managers, incompetency on the use of the Monitoring and Evaluation systems by project managers affected effective use of monitoring and evaluation systems.

The management should also be conversant with the functions of an M&E system to set a precedence on utilization of M&E system in the organization, a study by Wachamba (2013) on determinants of effective monitoring an evaluation systems in Non-governmental organizations highlights the role of management in the operations of M&E systems and recommends the management to have a technical know-how in running the
M&E system as this contributes to its effectiveness. The study recommends that project managers in charge of M&E systems should employ staff with the required technical expertise and offer training on effective handling of M&E systems.

The management has a role in decentralizing the monitoring process and involving local participation is the key to successful and effective monitoring (Adindu, 2010). Create linkages with M&E sections in other organizations for sharing information and experiences, not only on issues but on M&E techniques and matters related to information management and promote sense of belonging, ownership and pride in keeping up the M&E’s true role (Khan, 2003).

Another role of the management is to develop an M&E communications and advocacy strategy, a concise but concrete document outlining how M & E information will reach all important stakeholders. The strategy could include using print media to disseminate information products on M&E and other relevant data. This should outline the types of information to be shared, the time-lines for communication and the communication mechanisms to be utilized (CHRC, 2011). One of the successes in achieving the objectives of the M&E plan depends on the success of establishing and maintaining strong relationships with all stakeholders.

2.6 Level of resource allocation and utilization of M&E systems

Organizations should commit enough resources and attention to the monitoring and evaluation function in terms of communication, motivation, training, and staff time to carry out M&E activities effectively. Findings from a study on the factors influencing implementation of monitoring and evaluation systems of school feeding programs by
Agutu (2014) reveal that proper financial management will guarantee effective resource allocation required for M&E and will offer satisfaction in terms of service delivery. Data for the study was collected using questionnaire and interview schedule where 121 respondents were surveyed where recommendation on the strengthening of M&E systems by establishing a well facilitated M&E department was established.

Another study on the factors that contributed to the success of monitoring systems established that a combination of positive factors such as resource availability, strong political will, organizational capacity, structural solidity and strong Monitoring and Evaluation Systems design, all lead to overall success (Morra et al., 2009).

Most organizations carry out the Monitoring and evaluation function on ad hoc basis and Hardlife and Zhou (2013), highlight the lack of a stand-alone monitoring and evaluation department in UNDP Zimbabwe and specialist personnel for the monitoring and evaluation function are yet to be recruited.

Use of incentives encourages project managers, Monitoring and evaluation officers and stakeholders to perceive the usefulness of Monitoring and evaluation, not as a bureaucratic task but as an opportunity to discuss problems openly, reflect critically and criticise constructively. It is more of implementing encouragements and removing disincentives (Jones, 2011). Incentive systems should be equitable, applied in a timely manner, compatible with project’s principles and strategies. They need to be context specific and support sustainability of efforts. Provide incentives for specific work to enhance organizational goals (Khan, 2003).
Sustaining M&E systems also involves using appropriate incentives to keep managers and stakeholders on track and motivated. “Putting in place incentives for M&E means offering stimuli that encourage M&E officers and primary stakeholders to perceive the usefulness of M&E, not as a bureaucratic task, but as an opportunity to discuss problems openly, reflect critically and criticize constructively in order to learn what changes are needed to enhance impact” (IFAD 2002).

Developing a successful project usually involves the development of monitoring and evaluation systems and workflows (Yaghootkar & Gil, 2011). There should be a comprehensive picture implying financial capacity, human capacity, time and space capacity (adequacy), and technology capacity. A shortfall in any dimension of capacity negatively impacts on system performance. It is a common inhibiting factor in a number of developing countries where adequate resources are almost a perennial problem (Hardlife & Zhou, 2013). Use of M&E champions would advocate for development of an M&E culture and evidence-based decision making. They would advocate for the use of data for policymaking and decision making, and would communicate the importance of Monitoring and Evaluation (Caribbean Health Research Council, 2011).

A study by Kaburu (2014) on the factors influencing performance of monitoring and evaluation systems in non-governmental organizations in Nairobi County established that number of M and E staff affected the performance of M and E, whereby, the more the number of staff the better the performance. In addition, good governance structures were found to impact on the M and E performance positively. Moreover, more funding to the M and E activities increased the performance. Finally, the adopted tools for evaluation
which were found to be interviews and questionnaire as well as proper indictors impacted positively on the performance of the M and E.

2.7 Use of M & E Findings and utilization of M&E systems

One of the indicators of under utilization of Monitoring and evaluation systems is lack of use of evaluation findings from previous programmes. According to UNDP (2002), using findings to improve performance is the main purpose of setting up a Monitoring and Evaluation System, So, where there is no systematic use of findings and a general lack of implementation of evaluation results, the whole notion of Monitoring and Evaluation systems as “powerful management tools” helping decision makers improve performance is defeated.

On the utilisation of Monitoring and Evaluation Systems (M&Es) by international development agencies, using the UNDP in Zimbabwe as the case study; Hardlife and Zhou (2013) noted that there is also low note systematic use of evaluation findings from previous programmes while its evaluation approaches have a disturbing skew towards the quantitative. The study recommends the implementation of the M&E systems through the formulation of appropriate system designs and routine follow-ups on the implementation of evaluation findings and; establish a specialist unit for monitoring and evaluation to cater for technical challenges in the designing and implementation of programmes.

Recent publications such as Marlene and John (2014); Ramirez and Brodhead (2013); UNDP report (2013); Knox and Darcy (2014) indicate a renewed interest in utilisation. However, adequate use of monitoring and evaluation processes and findings is still lacking. Not only the evaluators and M&E officers that are new to this field of work need
to be educated, but also the commissioners of evaluation, programme managers, policy makers, scientists, since they often drive evaluation (Visser et al. 2014).

Monitoring and evaluation attempt to determine as systematically and objectively as possible the worth or significance of an intervention, strategy or policy. Monitoring and evaluation findings should be credible, and be able to influence decision-making by programme partners on the basis of lessons learned. A Monitoring and evaluation report should include the following: Findings and evidence – factual statements that include description and measurement; Conclusions – corresponding to the synthesis and analysis of findings; Recommendations – what should be done, in the future and in a specific situation; and, where possible, lessons learned – corresponding to conclusions that can be generalised beyond the specific case (UNICEF, 2003).

2.8 Theoretical Framework

The study was based on the theory of change developed by Kurt Lewin, 1951 and the systems theory. According to Kusek and Rist (2004), theory of change is a representation of how an intervention is expected to lead to desired results. It is an innovative tool to design and evaluate social change initiatives and a kind of blue print of the building blocks needed to achieve long term goals of a social change initiative.

Using theory of Change in monitoring and evaluation of programmes and projects provides feedback on whether projects are on track and whether events are rolling out as planned. Theory of change in monitoring and evaluation of projects helps staff and evaluators understand what the project is trying to achieve, how, and why. Knowing this critical information would enable staff and evaluators to monitor and measure the desired
results and compare them against the original theory of change. The study employed the theory of change to enable evaluators reflect and evaluate why change is expected, assumptions on how change would unfold and reasons for selected outcomes.

Systems theory describes the interrelatedness of all parts of an organization and how change in one area can affect multiple other parts (Li & Geiser, 2009). The foundation of systems theory is that all the components of an organization are interrelated, and that changing one variable might impact many others (Maignan et al., 2012). According to Walker and Brammer, (2009) organization act as systems interacting with their environment. Any equilibrium is constantly changing as the organization adapts to its changing environment.

Organizations are viewed as open systems, continually interacting with their environment. They are in a state of dynamic equilibrium as they adapt to environmental changes. System theory views organizational structure as the established pattern of relationships among the parts of the organization (Lozano & Valles, 2013). Of particular importance are the patterns in relationships and duties. These include themes of 1.) Integration (the way activities are coordinated), 2.) Differentiation (the way tasks are divided), 3.) The structure of the hierarchical relationships (authority systems), and 4.) The formalized policies, procedures, and controls that guide the organization (administrative systems) (Maignan et al., 2012).
2.9 Conceptual Framework

The conceptual framework illustrates the interaction between independent variables and the dependent variable in the study (Mugenda & Mugenda 2003). In this study, the independent variables were; level of staff training, level of management commitment, level of resource allocation and use of M&E findings while the dependent variable as utilization of monitoring and evaluation systems. The conceptual framework is presented in the Figure 1.

**Independent variable**

- Level of Staff Training
  - Knowledge and skills in M&E
  - Number of trained M&E staff
  - Number of trainings offered

- Level of Management Commitment
  - M&E vision and purpose statement
  - M&E communication and advocacy plan.
  - M&E champions

- Level of resource allocation
  - Amount of funds allocated for M&E activities
  - Incentives available for M&E implementation
  - Presence of a stand-alone M&E unit

- Use of M&E Findings
  - Periodic reports
  - Data collection and dissemination plan
  - Software system for sharing data.

**Moderating variable**

- M&E framework

**Dependent variable**

- Utilization of Monitoring and Evaluation Systems
  - Policy making mechanisms
  - Provision of performance feedback
  - Documentation of past project successes and failures.

**Intervening variables**

- Type of organizational Structure

Figure 2.1: Conceptual Framework
The diagrammatic presentation in Figure 2.1 explains the relationship between the independent, moderating, extraneous and dependent variables. This study will seek to find out how the independent variables; level of staff training, level of management commitment, level of resource allocation and use of M&E findings influence utilization of monitoring and evaluation systems. Monitoring and evaluation framework is represented as the moderating variable while organization structure as an intervening variable.

The chapter has reviewed the existing literature on factors influencing utilization of monitoring and evaluation systems. It has also presented a conceptual framework reflecting the relationship between the independent variable factors influencing, and dependent variable utilization of monitoring and evaluation systems in commercial banks in Kenya.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter looked at the methodology that was used in order to achieve the objectives of the study. It covers the research design, population of the study, sampling procedure, data collection procedure, data analysis and research instruments.

3.2 Research Design

This study adopted a descriptive survey design. A descriptive study is concerned with determining the frequency with which something occurs or the relationship between variables (Bryman & Bell, 2003). Descriptive survey design is a valid method for researching specific subjects and as a precursor to quantitative studies. According to Kothari (2004) this approach helps to describe the state of affairs as they exist without manipulation of variables.

This design was appropriate for this study as it would help describe the behaviour of a subject without influencing it in any way. Moreover, the design also facilitated collection of both quantitative and qualitative data through a questionnaire and an interview through a natural setting. The design was therefore deemed fit to describe the factors influencing utilization of monitoring and evaluation systems in commercial banks in Kenya.

3.3 Target population

A population is defined as a complete set of individuals, case or objects with some common observable characteristic (Mugenda & Mugenda 2003). The population of interest in this study was M & E managers in all the 43 Commercial Banks in Kenya.
listed by CBK (See Appendix 1). The study considered one M & E manager from each bank.

3.4 Sample Size and Sampling procedure

This section looked at the sampling design adopted to choose the respondents to participate in the study and identify the sample size for the study.

3.4.1 Sample Size

A sample is a small proportion of an entire population; a selection from the population (Kothari (2004). The study adopted a census study since the sampling frame is small, according to Israel (1992), census study is attractive for small populations (200 or less), and therefore all the 43 managers in the targeted 43 commercial banks formed the sample size for the study. The respondents in this study were M & E employees in the management level.

3.4.2 Sampling Procedure

Sampling is a procedure, process or technique of choosing a sub-group from a population to participate in the study. It is the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were selected (Mugenda & Mugenda, 1999).

Since the population is small, a census study was adopted whereby the entire population of 43 M & E managers were considered for the study. According to Cooper and Schindler (2007) a census is feasible when the population is small and necessary when the elements are quite different from each other. When the population is small and variable, any sample drawn may not be representative of the population from which it is drawn.
3.5 Research Instruments

The study collected primary data. The data was collected using a questionnaire and interview schedule. The questionnaire had both closed and open-ended questions, while the interview schedule had open-ended questions. The closed ended questions enabled the researcher to collect quantitative data; this included rating the responses using a 5 point likert scale designed questionnaire, ‘‘5’’ being strongly agree and ‘‘1’’ being strongly disagree. The open-ended questions enabled the researcher to collect qualitative data.

Questionnaires were considered for the study since they provide a high degree of data standardization, they are relatively quick to collect information from people in a non-threatening way and they are cheap to administer, while interviews gave insight to the required information. According to Kombo and Tromp (2006), a self-administered questionnaire is the only way to elicit self report on people’s opinion, attitudes, beliefs and values. Mugenda and Mugenda (1999) acknowledge that questionnaires give a detailed answer to complex problems.

3.5.1 Pilot Test

Pilot test was conducted to detect weakness in design and instrumentation and to provide alternative data for selection of a probability sample (Mugenda & Mugenda, 2008). A pre-test of the questionnaire was done prior to the actual data collection. The developed questionnaire was checked for its validity and reliability through pilot testing. The research subjected the questionnaire to 3 respondents in 3 selected banks; The Co-operative Bank of Kenya Limited, Standard Chartered Bank of Kenya limited and Equity bank of Kenya Limited to participate in the pilot study. According to Mugenda and
Mugenda (1999) a successful pilot study would use 1% to 10% of the actual sample size. The three respondents were exempted from taking part in the actual study.

3.5.2 Validity of the Instrument

Validity involve how accurately the data obtained represents the variables of the study while reliability refers to the degree to which a research instrument yields consistent results or data after repeated trials to establish its reliability (Saunders et.al., 2003). Internal validity was enhanced by ensuring that the instruments for data collection the questionnaire and interview guide collected and measured what was relevant for the study. Criterion related validity was also be enhanced to ensure that the models could be used for future prediction and analysis. Validity of the questionnaire and interview was established by the research and supervisor reviewing the items. The feedback from the supervisors helped in modifying the instruments.

3.5.3 Reliability of the Instrument

Reliability is the extent to which a variable or set of variables is consistent in what it is intended to measure (Hair et al., 2007). According to (Malhotra and Birks, 2007), reliability is the extent to which a list of scale items would produce consistent results if data collection were repeated and is assessed by determining the proportion of systematic variation in a scale.

To enhance its reliability, primary sources were collected strictly from the bank employees in banks. Reliability was calculated with the help of Statistical Package for Social Sciences (SPSS). Cronbach’s alpha was used whereby a co-efficient of above 0.7 implied that the instrument was sufficiently reliable for the measurement (Nunnally,
The objectives of pre-testing allowed for modification of various questions in order to rephrase, clarify and or clear up any shortcomings in the questionnaires before administering them to the actual respondents.

3.6 Data Collection Methods
The researcher first sought approval for this study from the National Commission for Science Technology and Innovation and further sought permission from the targeted banks that were served with an introduction letter explaining the purpose of the study. Further appointments were made with the respective respondents. The research assistants were trained and taken through the questionnaire and interview schedule before data collection process. The questionnaires were administered through drop and pick later method. Face to face interviews and telephone calls were also used for clarification of questions. A deadline was set by which the completed questionnaires were to be ready. Upon completion, the research assistants collected the questionnaires and ensured high completion rate and return of the completed questionnaires.

3.7 Data Analysis
The data collected through the questionnaire was edited, coded, entered into Statistical Package for Social Sciences (SPSS) which also aided in the data analysis. This study generated qualitative and quantitative data. The quantitative data was analyzed using descriptive statistics. Descriptive statistics included frequency distribution tables and measures of central tendency (the mean), measures of variability (standard deviation) and measures of relative frequencies. The qualitative data was generated from the open ended questions and was categorized in themes in accordance with research objectives and
reported in narrative form along with quantitative presentation. Data was presented using frequency tables.

### 3.8 Operational Definition of Variables

This section identified the indicators used to measure dependent and independent variables. The study used qualitative and quantitative indicators to measure the relation between the dependent and independent variables.

**Table 3.1: Operationalization of variables**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Independent variables</th>
<th>Indicators</th>
<th>Tool of analysis</th>
<th>Measurement scale</th>
<th>Data collection method</th>
<th>Data analysis</th>
</tr>
</thead>
</table>
| To determine the extent to which level of staff training influence utilization of monitoring and evaluation systems in Commercial banks in Kenya | Staff training | • Knowledge and skills in M&E  
• Number of trained staff  
• Number of trainings offered | Frequency  
Percentage  
Mean  
Standard deviation | Nominal  
Ordinal | Questionnaire  
Interview schedule | Descriptive and Inferential |
| Management commitment | Management commitment | • M&E mission and vision statement.  
• M&E communication and advocacy plan.  
• M&E champions | Frequency  
Percentage  
Mean  
Standard deviation | Nominal and ordinal | Questionnaire  
Interview schedule | Descriptive and Inferential |
<p>| To determine Resource | Resource | • Amount of funds | Frequency | Nominal and ordinal | Questionnaire | Descriptive and |</p>
<table>
<thead>
<tr>
<th>the extent to which level of resource allocation influence utilization of monitoring and evaluation systems in Commercial banks in Kenya</th>
<th>allocated for M&amp;E • Incentives available for M&amp;E implementation • Stand-alone M&amp;E unit</th>
<th>Percentage Mean Standard deviation</th>
<th>Interview schedule</th>
<th>Inferential</th>
</tr>
</thead>
<tbody>
<tr>
<td>To determine the extent to which use of monitoring and evaluation findings influence utilization of monitoring and evaluation systems in Commercial banks in Kenya</td>
<td>Use of M&amp;E Findings</td>
<td>• Periodic reports • Data collection and dissemination plan • Software system for sharing data</td>
<td>Frequency Mean Percentage Standard deviation</td>
<td>Nominal Questionnaire Interview schedule</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dependent variable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish factors influencing utilization of monitoring and evaluation systems in commercial banks in Kenya</td>
<td>Utilization of monitoring and evaluation systems</td>
<td>- Policy making mechanisms - Provision of performance feedback. - Documentation of past project successes and failures.</td>
<td>Frequency Mean Percentage Standard deviation</td>
<td>Nominal and Ordinal Questionnaire Interview schedule</td>
</tr>
</tbody>
</table>
4.1 Introduction

This chapter entails the findings of the study based on the study objectives. The study sought to establish factors influencing utilization of monitoring and evaluation systems in commercial banks in Kenya. The study specifically sought to determine the extent to which factors such as level of staff training, management commitment, resource allocation and use of monitoring and evaluation findings influence utilization in monitoring and evaluation systems in commercial banks in Kenya. The data was analysed and presented in form of frequency tables.

4.2 Response Rate

This section sought to establish the response rate of the study, so at to determine whether the response rate as adequate for the study to continue and make conclusions. The results are presented in Table 4.1.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Response Rate</td>
<td>35</td>
<td>81.4</td>
</tr>
<tr>
<td>None Response</td>
<td>8</td>
<td>18.6</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The study targeted 43 Monitoring and Evaluation managers, one from each bank whereby a total of 35 questionnaires were successfully filled in time for data analysis. This represented 81.4% of the total respondents. According to Mugenda and Mugenda (2003)
a 50 percent response rate is adequate, 60 percent good and above 70 percent rated very well. The response rate of 81.4% was therefore considered appropriate to derive the inferences regarding the objectives of the research.

4.3 **Background Information**

The section presents the background information of the respondents who took part in the study. This information was critical in understanding the different responses according to the respondents’ demographic characteristics. The background information gathered includes the gender of the respondents, highest level of education reached, job title and duration worked in the bank.

4.3.1 **Distribution of Respondents by Gender**

This section sought to show the distribution of respondents by gender. The findings are presented in Table 4.2 below.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>28</td>
<td>80</td>
</tr>
<tr>
<td>Female</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The study findings in Table 4.2 shows that majority of the respondents (81%) were male while 19% were female. This shows that M & E managerial staff in the commercial banks in Kenya consists of both genders but majority were male.
4.3.2. Distribution of Respondents by Level of Education

The respondents were asked to indicate the highest level of education reached. This was significant in the study so as to establish the level of education of the M & E staff in commercial banks in Kenya. The findings are presented in Table 4.3.

Table 4.3: Level of Education

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Degree</td>
<td>25</td>
<td>71.4</td>
</tr>
<tr>
<td>Masters</td>
<td>9</td>
<td>25.7</td>
</tr>
<tr>
<td>PhD</td>
<td>1</td>
<td>2.9</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Results in Table 4.3 show that majority of the respondents (71.4%) had attained a Bachelors degree while 25.7% had a Masters degree. A further 2.9% of the respondents indicated that they had a PhD. This shows that majority of the M & E managerial staff in the commercial banks in Kenya are highly educated hence it improves the reliability of the information given.

4.3.3. Duration Worked in the Bank

The respondents were asked to indicate the number of years they had worked in the bank. This would help determine the experience they had attained in their position in the respective banks. The findings are presented in Table 4.4 below.
Table 4.4: Duration Worked in the Bank

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>3</td>
<td>8.6</td>
</tr>
<tr>
<td>5-10 years</td>
<td>6</td>
<td>17.1</td>
</tr>
<tr>
<td>11-15 years</td>
<td>10</td>
<td>28.6</td>
</tr>
<tr>
<td>16-20 years</td>
<td>9</td>
<td>25.7</td>
</tr>
<tr>
<td>Above 20 years</td>
<td>7</td>
<td>20.0</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The study findings show that 28.6% of the respondents had worked in their respective banks for 11-15 years while 25.7% had worked in their bank for 16-20 years. A further 20% of the respondents indicated that they had worked for over 20 years. The study shows that majority of the M & E managerial staff in the commercial banks had worked over a long duration in their respective hence they could give credible information in regard to factors influencing utilization of monitoring and evaluation systems in their institutions.

4.4. Level of Staff Training

This section addresses the first objective of the study which sought to determine the extent to which level of staff training influence utilization of monitoring and evaluation systems in commercial banks in Kenya.

4.4.1 Extent the Staff Training Factors Influence Utilization of Monitoring and Evaluation System

A five point likert scale was used to analyse the whereby the mean scores of “strongly disagree” and “disagree” were represented by mean score equivalent to 1 to 2.5 on the Likert scale (1 ≤ disagree ≤ 2.5). The scores of ‘not sure’ were equivalent to 2.6 to 3.5 on
the Likert scale (2.6 ≤ not sure ≤ 3.5) while the scores of “agree” and “strongly agree” were represented by a mean score of 3.6 ≤ agree ≤ 5.0 on the Likert scale. The results are presented in Table 4.5.

**Table 4.5: Extent the Staff Training Factors Influence Utilization of Monitoring and Evaluation System**

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular M&amp;E trainings to staff are conducted in my organization</td>
<td>3.74</td>
<td>0.886</td>
</tr>
<tr>
<td>The concept of monitoring and evaluation is known in my organization.</td>
<td>3.94</td>
<td>0.891</td>
</tr>
<tr>
<td>All staff are trained and capacitated to carry out M&amp;E functions</td>
<td>2.94</td>
<td>0.789</td>
</tr>
</tbody>
</table>

The findings in Table 4.5 show that the respondents agreed that the concept of monitoring and evaluation was known in their organization and that regular M&E trainings to staff were conducted in the organization; this is shown by the mean scores of 3.94 and 3.74 respectively. However, the respondents neither agreed nor disagreed on whether all staff were trained and capacitated to carry out M&E functions as shown by the mean score of 2.94.

### 4.4.2. How Level of Staff Training Influence Utilization of Monitoring and Evaluation system in the Banks

The respondents were asked to indicate how the level of staff training influences utilization of monitoring and evaluation system in the banks. They stated that training instils needed skills, knowledge to adequately set up and manage the monitoring and
evaluation function effectively and to use the system correctly. The respondents further stated that the level of training also influences the staff attitude in commercial banks which is an important aspect in the utilization of monitoring and evaluation system in the Banks.

4.5 Level of Management Commitment

This section addresses the second objective of the study which sought to assess the extent to which level of management commitment influence utilization of monitoring and evaluation systems in commercial banks in Kenya.

4.5.1 Extent the Management Commitment Factors Influence Utilization of Monitoring and Evaluation System

The respondents were asked to indicate their extent of agreement with statements on the extent to which management commitment factors influence utilization of monitoring and evaluation system in Commercial banks in Kenya. A five point likert scale was used to analyse the data. The results are presented in Table 4.6.

Table 4.6: Extent the Management Commitment Factors Influence Utilization of Monitoring and Evaluation System

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a champion for overseeing the monitoring and evaluation exercise in the bank.</td>
<td>2.91</td>
<td>0.887</td>
</tr>
<tr>
<td>The purpose and vision of M&amp;E in my organization is clearly understood by employees</td>
<td>3.90</td>
<td>0.884</td>
</tr>
<tr>
<td>An M&amp;E communication and advocacy strategy is available for use by M&amp;E unit.</td>
<td>3.09</td>
<td>0.949</td>
</tr>
</tbody>
</table>
The study results presented in Table 4.6 show that the respondents agreed that the purpose and vision of M&E in their organization was clearly understood by employees; this is shown by the mean score of 3.90. However, the respondents neither agreed nor disagreed on whether there was a champion for overseeing the monitoring and evaluation exercise in the bank; and on whether an M&E communication and advocacy strategy was available for use by M&E unit this is shown by the mean scores 2.91 and 3.09 on the likert scale.

4.5.2. How Level of Management Commitment Influence Utilization of Monitoring and Evaluation System

The respondents were asked to indicate how the level of management commitment influences utilization of monitoring and evaluation system. The respondents state that level of management commitment influenced the managements’ team work, communication; and co-ordination across various functions. The respondents further stated that management commitment enhanced leadership skills in creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and providing resources necessary for the utilization of monitoring and evaluation systems in commercial banks.

4.6. Level of Resource Allocation

This section addresses the third objective of the study which sought examine the extent to which level of resource allocation influence utilization of monitoring and evaluation systems in commercial banks in Kenya.
4.6.1. Extent the Resource Allocation Factors Influenced Utilization of Monitoring and Evaluation System

The respondents were asked to indicate their extent of agreement with the various statements on resource allocation factors and utilization of monitoring and evaluation system in commercial banks in Kenya. A five point likert scale was used to analyse the data whereby 1 presented strongly disagree while 5 presented strongly agree. The findings are presented in Table 4.7.

Table 4.7: Extent the Resource Allocation Factors Influence Utilization of Monitoring and Evaluation System

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a specific section with elaborate procedures and activities assigned to carry out the monitoring and evaluation mandate.</td>
<td>4.09</td>
<td>0.910</td>
</tr>
<tr>
<td>There are incentives for using monitoring and evaluation information.</td>
<td>2.08</td>
<td>1.014</td>
</tr>
<tr>
<td>A set of M&amp;E tools and techniques is available for use by employees.</td>
<td>3.98</td>
<td>0.968</td>
</tr>
</tbody>
</table>

On the extent to which resource allocation factors influenced utilization of monitoring and evaluation system; the study findings in Table 4.7 show that the respondents agreed that there was a specific section with elaborate procedures and activities assigned to carry out the monitoring and evaluation mandate as shown by the mean score of 4.09. The respondents also agreed that a set of M&E tools and techniques was available for use by employees as shown by the mean score of 3.98 on the likert scale. However, the respondents disagreed that there were incentives for using monitoring and evaluation information; this is shown by mean score of 2.08.
4.6.2. How the Level of Resource Allocation Influence Utilization of Monitoring and Evaluation system in Commercial Banks

The study inquired from the respondents on how the level of resource allocation influenced utilization of Monitoring and Evaluation system in their banks. The respondents stated that provision of resources such as adequate funding, adequate trained staff guarantees effective utilization of monitoring and evaluation system. The respondents further indicated that the provision and availability of resources also enhances the banks’ organizational capacity, structural solidity and strong monitoring and evaluation systems design, which to lead to overall success of the monitoring and evaluation system.

4.7. Use of M & E Findings

In this section, the study sought to evaluate the extent to which use of monitoring and evaluation findings influence utilization in monitoring and evaluation systems in commercial banks in Kenya.

4.7.1. Extent the Use of M&E Findings Influence Utilization of Monitoring and Evaluation System

The respondents were asked to indicate their extent of agreement with statements on use of monitoring and evaluation findings and utilization of monitoring and evaluation system in Commercial banks in Kenya. A five point likert scale was used to analyse the data whereby the mean scores of “strongly disagree” and “disagree” were represented by mean score equivalent to 1 to 2.5 on the Likert scale (1 ≤ disagree ≤ 2.5). The scores of ‘not sure’ were equivalent to 2.6 to 3.5 on the Likert scale (2.6 ≤ not sure ≤ 3.5) while the
scores of “agree” and “strongly agree” were represented by a mean score of $3.6 \leq \text{agree} \leq 5.0$ on the likert scale. The results are presented in Table 4.8.

Table 4.8: Use of M&E Findings and Utilization of Monitoring and Evaluation System

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific events are carried out to launch reports and publications based on information obtained from M&amp;E system.</td>
<td>3.72</td>
<td>1.168</td>
</tr>
<tr>
<td>A functional Management Information system exists.</td>
<td>3.33</td>
<td>1.053</td>
</tr>
<tr>
<td>There is interaction between the M&amp;E section and other staff where information sharing takes.</td>
<td>3.21</td>
<td>0.994</td>
</tr>
</tbody>
</table>

On the influence of use of monitoring and evaluation findings on utilization of monitoring and evaluation system; the study results presented in Table 4.8 show that the respondents agreed that specific events were carried out to launch reports and publications based on information obtained from M&E system. However, the respondents did not agree nor disagreed on whether functional management information system existed; and on whether there was interaction between the M&E section and other staff where information sharing takes; as shown by the mean scores of 3.33 and 3.21 respectively.

4.7.2. How Use of M&E Findings Influence Utilization of Monitoring and Evaluation System

On how the use of M&E Findings influenced utilization of monitoring and evaluation system in commercial banks in Kenya; the respondents stated that the purpose of
monitoring and evaluation as to help in decision making and improve performance of the organizations hence the credibility of the findings and use of findings by the management enhanced utilization of monitoring and evaluation system in the banks.

4.8. Level of utilization of M&E System

In this section, the study sought to establish the extent of utilization of monitoring and evaluation system by the commercial banks. The results are presented in Table 4.9.

Table 4.9: Level of utilization of M&E System

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular reporting on performance is done and feedback received.</td>
<td>3.43</td>
<td>1.075</td>
</tr>
<tr>
<td>Monitoring and evaluation information is used for decision and policy making.</td>
<td>3.40</td>
<td>1.165</td>
</tr>
<tr>
<td>Evaluation findings from previous projects are documented for reference by employees</td>
<td>4.06</td>
<td>0.915</td>
</tr>
</tbody>
</table>

On the level of utilization of monitoring and evaluation system by the commercial banks; the study results presented in Table 4.9 shows that the respondents agreed that evaluation findings from previous projects were documented for reference by employees as shown by the mean score of 4.06. However, the respondents neither agreed nor disagreed on whether regular reporting on performance was done and feedback received as shown by the mean score of 3.43; and on whether monitoring and evaluation information was used for decision and policy making; as shown by the mean score of 3.40 on the likert scale.
4.8.1 Other Factors that Influence Utilization of Monitoring and Evaluation System

The study inquired from the respondents on other factors that influence utilization of Monitoring and Evaluation system commercial banks in Kenya. The respondents stated that weak structures of governance, organizational culture and lack of clearly defined objectives and appropriate indicators of performance and success affected the utilization of Monitoring and Evaluation system. The respondents further stated that lack of communication and provision of feedback about progress, success or failure of projects, programs, policies throughout their cycles also affected the utilization of Monitoring and Evaluation system.
CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction
This chapter provides a summary of findings, conclusions and recommendations of the study based on the objectives of the study. It entails a synthesis of key issues of the objectives of the study as deduced from the entire research.

5.2. Summary of Findings
On the extent to which staff training factors influence utilization of monitoring and evaluation system; the study findings show that the respondents agreed that the concept of monitoring and evaluation was known in their organization and that regular M&E trainings to staff were conducted in the organization. However, the respondents neither agreed nor disagreed on whether all staff were trained and capacitated to carry out M&E functions. The respondents stated that training instils needed skills, knowledge to adequately set up and manage the monitoring and evaluation function effectively and to use the system correctly. The respondents further stated that the level of training also influences the staff attitude in commercial banks which is an important aspect in the utilization of monitoring and evaluation system in the Banks.

On the extent to which the management commitment factors influence utilization of monitoring and evaluation system; the respondents agreed that the purpose and vision of M&E in their organization was clearly understood by employees. However, the respondents neither agreed nor disagreed on whether there was a champion for
overseeing the monitoring and evaluation exercise in the bank; and on whether an M&E communication and advocacy strategy was available for use by M&E unit. The respondents further stated that level of management commitment influenced the managements’ team work, communication; and co-ordination across various functions. Moreover, the respondents indicated that management commitment enhanced leadership skills in creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and providing resources necessary for the utilization of monitoring and evaluation systems in commercial banks.

On the extent to which resource allocation factors influenced utilization of monitoring and evaluation system; the study findings show that the respondents agreed that there was a specific section with elaborate procedures and activities assigned to carry out the monitoring and evaluation mandate. The respondents also agreed that a set of M&E tools and techniques was available for use by employees. However, the respondents disagreed that there were incentives for using monitoring and evaluation information. The respondents further stated that provision of resources such as adequate funding, adequate trained staff guarantees effective utilization of monitoring and evaluation system. The respondents further indicated that the provision and availability of resources also enhances the banks’ organizational capacity, structural solidity and strong monitoring and evaluation systems design, which to lead to overall success of the monitoring and evaluation system.
On the extent the use of M&E findings influenced utilization of monitoring and evaluation system; the respondents agreed that specific events were carried out to launch reports and publications based on information obtained from M&E system. However, the respondents did not agree nor disagreed on whether a functional management information system existed; and on whether there was interaction between the M&E section and other staff where information sharing takes. The respondents further stated that the purpose of monitoring and evaluation as to help in decision making and improve performance of the organizations hence the credibility of the findings and use of findings by the management enhanced utilization of monitoring and evaluation system in the banks.

On the level of utilization of monitoring and evaluation system by the commercial banks; the study found out that evaluation findings from previous projects were documented for reference by employees. However, the respondents neither agreed nor disagreed on whether regular reporting on performance was done and feedback received; and on whether monitoring and evaluation information was used for decision and policy making. The respondents stated that there were other factors that influenced utilization of Monitoring and Evaluation system commercial banks in Kenya. They include: weak structures of governance and lack of clearly defined objectives and appropriate indicators of performance and success affected the utilization of Monitoring and Evaluation system. The respondents further stated that lack of communication and provision of feedback about progress, success or failure of projects, programs, policies throughout their cycles also affected the utilization of Monitoring and Evaluation system.
5.3. Discussions

On staff training factors and utilization of monitoring and evaluation system in commercial banks in Kenya; the study found out the concept of monitoring and evaluation was known in their organization and that regular M&E trainings to staff were conducted in the organization. On the other hand, the respondents stated that training instils needed skills, knowledge to adequately set up and manage the monitoring and evaluation function effectively and to use the system correctly. The respondents further stated that the level of training also influences the staff attitude in commercial banks which is an important aspect in the utilization of monitoring and evaluation system in the banks.

The above findings are in line with those of Douglah et al. (2003) who revealed that skills, knowledge, and attitudes of individuals within the organization are important factors in determining evaluation competence. The findings also shows that respondents neither agreed nor disagreed on whether all staff were trained and capacitated to carry out M&E functions. These findings corroborate with those of Bhola (2006) who indicated that even though Monitoring and Evaluation initiatives require; conceptual-analytical capacities; skills in system design and ability to interface systems of implementation with systems of Monitoring and Evaluation; such capacities do not exist in all those places where they are needed.

On the extent to which the management commitment factors influence utilization of monitoring and evaluation system in the commercial banks; the study established that the purpose and vision of M&E in their organization was clearly understood by employees.
The respondents further stated that level of management commitment influenced the managements’ team work, communication; and co-ordination across various functions. Moreover, the respondents indicated that management commitment enhanced leadership skills in creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and providing resources necessary for the utilization of monitoring and evaluation systems in commercial banks. The findings are in agreement with those of Kusek (2004) who indicated that building and sustaining a result based monitoring and evaluation system requires continuous commitment, champions, effort and resources. Adindu (2010) also supports this and reveals that the management has a role in decentralizing the monitoring process and involving local participation is the key to successful and effective monitoring; and also creating linkages with M&E sections in other organizations for sharing information and experiences.

On the influence of resource allocation factors on utilization of monitoring and evaluation system; the study established that the commercial banks had a specific section with elaborate procedures and activities assigned to carry out the monitoring and evaluation mandate. A set of M&E tools and techniques was available for use by employees. On the other hand, the respondents further stated that provision of resources such as adequate funding, adequate trained staff guarantees effective utilization of monitoring and evaluation system. The findings concurs with those of Morra et al. (2009) who revealed that resource availability, , organizational capacity, structural solidity and strong Monitoring and Evaluation Systems design, all lead to overall success. The provision and availability of resources also enhances the banks’ organizational capacity, structural
solidity and strong monitoring and evaluation systems design, which to lead to overall success of the monitoring and evaluation system.

On the extent to which use of M&E findings influenced utilization of monitoring and evaluation system; the study found out that specific events were carried out to launch reports and publications based on information obtained from M&E system. The respondents further stated that the purpose of monitoring and evaluation was to help in decision making and improve performance of the organizations hence the credibility of the findings and use of findings by the management enhanced utilization of monitoring and evaluation system in the banks. The findings corroborates with those of UNDP (2002), who asserts that the main purpose of setting up a Monitoring and Evaluation System is to use the findings to improve performance. The whole notion of Monitoring and Evaluation systems is to use as a management tool to help in decision making in order to improve performance. However, researcher such as Hardlife and Zhou (2013); Marlene and John (2014); Ramirez and Brodhead (2013); UNDP (2013) established that there is lack of adequate use of monitoring and evaluation processes and findings or no systematic use of the findings.

5.4 Conclusions
The study concludes that staff training factors influences utilization of monitoring and evaluation system in commercial banks in Kenya. Regular M&E trainings were conducted to staff in the banks; however, staff training and capacitating to carryout M&E functions was not fully adequate. Training instils needed skills, knowledge to adequately set up and manage the monitoring and evaluation function effectively and to use the system correctly.
Management commitment factors influence utilization of monitoring and evaluation system. The management ensured that the purpose and vision of M&E in their organization was clearly understood by employees. However, there lacked an M&E communication and advocacy strategy for use by M&E unit; and also a champion for overseeing the monitoring and evaluation exercise in the bank. Management commitment is critical for enhancing leadership skills, sharing an organizational goal, and providing resources necessary for the utilization of monitoring and evaluation systems in commercial banks.

The study further concludes that resource allocation factors influenced utilization of monitoring and evaluation system. The commercial banks had a set of M&E tools and techniques for use by employees. However, there lacked incentives for using monitoring and evaluation information. Allocation of resources such as adequate funding, adequate trained staff enhances effective utilization of monitoring and evaluation system.

It can also be concluded that use of M&E findings influenced utilization of monitoring and evaluation system. The credibility of the findings and use of findings by the management enhanced utilization of monitoring and evaluation system in the banks. However, while specific events were carried out to launch reports and publications based on information obtained from M&E system; there lacked adequate interaction between the M&E section and other staff where information sharing could take place.
5.4. Recommendations

The study established that the staff were not adequately trained and capacitated to carry out M&E functions. The study therefore recommends for increased training of Programmes officers and managers in order to equip them with the needed skills and knowledge to adequately set up and manage the Monitoring and Evaluation function effectively in the banks and to use the system correctly. Training would also influence the staff attitude towards utilization of monitoring and evaluation system in the banks.

The study found out that commercial banks lacked incentives for using monitoring and evaluation information. In this regard, the study recommends that commercial banks should make use of incentives to encourage project managers, monitoring and evaluation officers to perceive the usefulness of Monitoring and evaluation, not as a bureaucratic task but as an opportunity to discuss problems openly, reflect critically and criticise constructively. The management should also provide skilled staff and more financial support towards monitoring and evaluation programmes.

On management commitment, there lacked adequate M&E communication and advocacy strategy for use by M&E unit. In this regard, the study recommends increased commitment by the management in overseeing the monitoring and evaluation exercise in the bank. There is also need for improved communication and provision of feedback about progress, success or failure of projects, programs, and policies throughout their cycles so as to enhance increased utilization of Monitoring and Evaluation system.
5.5 Suggestions for Further Research

Based on the study findings and conclusions of the study, the researcher suggests that a further research be conducted on how the other factors highlighted the respondents; for instance, weak structures of governance, organizational culture, lack of clearly defined objectives and appropriate indicators of performance; and lack of communication and provision of feedback about progress influence utilization of Monitoring and Evaluation system. The researcher further recommends that further studies be conducted on this area in other sectors other than in commercial banks.
REFERENCES


Agutu, H. (2014). Factors influencing implementation of monitoring and evaluation of


raints, Sage Publications, California.


APPENDICES

Appendix I: Letter of Transmittal

BRIGID NANJALA JUMA,

P.O BOX -00100, Nairobi.

To whom it my concern,

Dear Sir/Madam,

**Re: Letter of Consent to Participate in the Research**

I am a postgraduate student at the University of Nairobi pursuing a Masters of Arts degree in Project Planning and Management. I am currently undertaking a research on the factors influencing utilization of monitoring and evaluation systems of commercial banks in Kenya.

I am pleased to inform you that you have been selected to participate in the study. I therefore request you to provide information through the provided questionnaire. Kindly answer all the items in the questionnaire provided. The information that you will give will be treated with utmost confidence and data provided will be used for academic purposes only.

Thank you in advance

Yours faithfully,

Brigid Nanjala Juma
Appendix II: Questionnaire

This questionnaire seeks to collect data from M&E staff. The study seeks to establish the factors influencing utilization of monitoring and evaluation systems in commercial banks based in Kenya. **Instructions:** Please read and answer the questions as appropriately as possible. It is advisable that you answer or fill in each section as provided. Tick (√) where appropriate.

**PART 1: GENERAL INFORMATION**

1. Name of Bank…………………………………………………………………..(Optional)

2. Gender:
   
   Male ☐ Female ☐

3. Level of education:
   
   a). Masters and above ☐ b). Degree ☐
   c). Diploma ☐
   d). Others (specify)…………………………………………………………………

4. Job title………………………………………………………………………………………………………

5. How many years have you worked in the bank?
   
   a. Less than 5 Years ☐ b. 5-10 Years ☐
   c. 11-15 Years ☐ d. 16-20 Years ☐
   d. Above 20 Years ☐

**PART 2: FACTORS INFLUENCING UTILIZATION OF MONITORING AND EVALUATION SYSTEMS**

**Section 1: Level of staff training**

6. Using a scale of 1-5 Please choose the best option appropriate.
   
   1 = Strongly Disagree, 2 = Disagree, 3 = neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree
To what extent has the following staff training factors influenced utilization of monitoring and evaluation system in your organization?

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular M&amp;E trainings to staff are conducted in my organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The concept of monitoring and evaluation is known in my organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All staff are trained and capacitated to carry out M&amp;E functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. In your own view how does level of staff training influence utilization of Monitoring and Evaluation system in your organization?  

Section 2: Level of management commitment

8. Using a scale of 1-5 Please choose the best option appropriate.

1 = Strongly Disagree, 2 = Disagree, 3 = neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree

To what extent has the following management commitment factors influenced utilization of monitoring and evaluation system in your organization?

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a champion for overseeing the monitoring and evaluation exercise in the bank.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The purpose and vision of M&amp;E in my organization is clearly understood by employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An M&amp;E communication and advocacy strategy is available for use by M&amp;E unit.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. In your own view how does level of management commitment influence utilization of Monitoring and Evaluation system in your organization?  

Section 3: Level of resource allocation

10. Using a scale of 1-5 Please choose the best option appropriate.

1 = Strongly Disagree, 2 = Disagree, 3 = neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree

To what extent has the following resource allocation factors influenced utilization of monitoring and evaluation system in your organization?

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a specific section with elaborate procedures and activities assigned to carry out the monitoring and evaluation mandate.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are incentives for using monitoring and evaluation information.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A set of M&amp;E tools and techniques is available for use by employees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. In your own view how does level of resource allocation influence utilization of Monitoring and Evaluation system in your organization?  

Section 4: Use of M&E findings

12. Using a scale of 1-5 Please choose the best option appropriate.

1 = Strongly Disagree, 2 = Disagree, 3 = neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree

To what extent has the following Use of M&E factors influenced utilization of monitoring and evaluation system in your organization?
### Factors under consideration

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific events are carried out to launch reports and publications based on information obtained from M&amp;E system.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A functional Management Information system exists.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is interaction between the M&amp;E section and other staff where information sharing takes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13. In your own view how does use of M&E findings influence utilization of Monitoring and Evaluation system in your organization?

---

### Section 5: Level of utilization of M&E system

14. Using a scale of 1-5 Please choose the best option appropriate.

1 = Strongly Disagree, 2 = Disagree, 3 = neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree

To what extent do you consider the following factors as important to you in the utilization of M&E system in your organization?

<table>
<thead>
<tr>
<th>Factors under consideration</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular reporting on performance is done and feedback received.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring and evaluation information is used for decision and policy making.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation findings from previous projects are documented for reference by employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. In your own view what factors influence utilization of Monitoring and Evaluation system in your organization?

---
Appendix III. Interview schedule

1. In your own opinion how does level of staff training influence utilization of monitoring and evaluation system in your organization?

2. How does management commitment influence utilization of monitoring and evaluation system in your organization?

3. According to your view to what extent does resource allocation influence utilization of monitoring and evaluation system in your organization?

4. In your own view how does use of M&E findings influence utilization of monitoring and evaluation system in your organization?

5. According to your view, what factors influence utilization of M&E system in your organization?
6. What challenges do you encounter when using the M&E system in your organization?

7. In your view, which suggestions can be put in place to overcome the above challenges?

THANK YOU FOR YOUR PARTICIPATION
### Appendix IV: List of Commercial Banks in Kenya

<table>
<thead>
<tr>
<th></th>
<th>COMMERCIAL BANKS IN KENYA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kenya Commercial Bank Ltd</td>
</tr>
<tr>
<td>2</td>
<td>Standard Chartered Bank Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Barclays Bank of Kenya Ltd</td>
</tr>
<tr>
<td>4</td>
<td>Co-operative Bank of Kenya Ltd</td>
</tr>
<tr>
<td>5</td>
<td>CFC Stanbic Bank Ltd</td>
</tr>
<tr>
<td>6</td>
<td>Equity Bank Ltd</td>
</tr>
<tr>
<td>7</td>
<td>Bank of India Ltd</td>
</tr>
<tr>
<td>8</td>
<td>Bank of Baroda Ltd</td>
</tr>
<tr>
<td>9</td>
<td>Commercial Bank of Africa Ltd</td>
</tr>
<tr>
<td>10</td>
<td>Prime Bank Ltd</td>
</tr>
<tr>
<td>11</td>
<td>National Bank Ltd</td>
</tr>
<tr>
<td>12</td>
<td>Citibank N.A</td>
</tr>
<tr>
<td>13</td>
<td>Bank of Africa Ltd</td>
</tr>
<tr>
<td>14</td>
<td>Chase Bank Ltd</td>
</tr>
<tr>
<td>15</td>
<td>Imperial Bank Ltd</td>
</tr>
<tr>
<td>16</td>
<td>NIC Bank Ltd</td>
</tr>
<tr>
<td>17</td>
<td>Ecobank Ltd</td>
</tr>
<tr>
<td>18</td>
<td>I&amp; M Bank Ltd</td>
</tr>
<tr>
<td>19</td>
<td>Diamond Trust Bank Ltd</td>
</tr>
<tr>
<td>20</td>
<td>Family Bank Ltd</td>
</tr>
<tr>
<td>21</td>
<td>Habib Bank Ltd</td>
</tr>
<tr>
<td>22</td>
<td>Oriental Commercial Bank Ltd</td>
</tr>
<tr>
<td>23</td>
<td>Habib A.G Zurich</td>
</tr>
<tr>
<td>24</td>
<td>Middle East Bank Ltd</td>
</tr>
<tr>
<td>25</td>
<td>Dubai Bank Ltd</td>
</tr>
<tr>
<td>No.</td>
<td>Bank Name</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>26</td>
<td>Consolidated Bank of Kenya Ltd</td>
</tr>
<tr>
<td>27</td>
<td>Credit Bank Ltd</td>
</tr>
<tr>
<td>28</td>
<td>Trans-national Bank Ltd</td>
</tr>
<tr>
<td>29</td>
<td>African Banking Corporation Ltd</td>
</tr>
<tr>
<td>30</td>
<td>Giro Commercial Bank Ltd</td>
</tr>
<tr>
<td>31</td>
<td>Equatorial Commercial Bank Ltd</td>
</tr>
<tr>
<td>32</td>
<td>Paramount Universal Bank Ltd</td>
</tr>
<tr>
<td>33</td>
<td>Jamii Bora Bank Ltd</td>
</tr>
<tr>
<td>34</td>
<td>Fina Bank Ltd</td>
</tr>
<tr>
<td>35</td>
<td>Victoria Commercial Bank Ltd</td>
</tr>
<tr>
<td>36</td>
<td>Guardian Bank Ltd</td>
</tr>
<tr>
<td>37</td>
<td>Development Bank of Kenya Ltd</td>
</tr>
<tr>
<td>38</td>
<td>Fidelity Commercial Bank Ltd</td>
</tr>
<tr>
<td>39</td>
<td>Charterhouse Bank Ltd</td>
</tr>
<tr>
<td>40</td>
<td>K-rep Bank Ltd</td>
</tr>
<tr>
<td>41</td>
<td>Gulf African Bank Ltd</td>
</tr>
<tr>
<td>42</td>
<td>First-Community Bank Ltd</td>
</tr>
<tr>
<td>43</td>
<td>UBA Kenya Ltd</td>
</tr>
</tbody>
</table>

**Source:** CBK (2015).